

# Virginia Enterprise Zones

## Grant Year 2014 Job Creation Grant Instruction Manual



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## TABLE OF CONTENTS

ABOUT THIS MANUAL.....	3
NEW THIS YEAR.....	3
ENTERPRISE ZONE GRANT QUALIFICATION PROCESS.....	4
ACCESSING THE JCG APPLICATION AND ADDITIONAL INFORMATION .....	4
SUBMITTAL REQUIREMENTS .....	5
ONLINE SUBMITTAL .....	5
SUBMITTAL OF MULTIPLE APPLICATIONS.....	6
TAXABILITY OF GRANTS .....	6
RECORD KEEPING REQUIRMENTS.....	6
GRANT YEAR 2014 TIMELINE .....	7
JOB CREATION GRANTS .....	8
GENERAL LIMITATIONS .....	9
EMPLOYMENT RESTRICTIONS .....	9
JOB CREATION GRANT QUALIFICATION PROCESS .....	10
REQUIRED APPLICATION MATERIALS .....	11
JCG/JCG-HUA WORKSHEET: STEP-BY-STEP INSTRUCTIONS.....	12
FORM EZ-JCG/EZ-JCG-HUA.....	16
W-9.....	20
CPA ATTESTATION REPORT .....	20
CONTACT INFORMATION .....	21
APPENDIX .....	21
GLOSSARY: DEFINITIONS FOR JOB CREATION GRANTS.....	22
CHART OF ACTIVITY NUMBERS .....	25

## ABOUT THIS MANUAL

This manual provides instructions for qualifying for the Enterprise Zones (EZ) Job Creation Grant (JCG). It has been compiled for the applicant (the business firm) and addresses the applicant's responsibilities in completing the application materials.

Specific icons have been used throughout the manual to provide user-friendly instructions. Frequently asked questions have been included within each grant section and are denoted by a question mark symbol (?) within a text box. Additionally, important definitions, guidelines, and reminders are also emphasized in highlighted text boxes. Snapshots of the actual application forms are included within the manual to provide step-by-step instructions for each component of the application. Details pertaining to required forms have been indicated by the following symbol: 📄 Lastly, for your convenience, key terms have been hyperlinked to their corresponding definitions in the glossary provided at the end of the instruction manual. Please note that the terms included in the glossary are defined by statute and regulation and must be followed.

A qualified representative of the business firm is expected to complete all of the required application components. An independent Certified Public Accountant (CPA), licensed in Virginia, must attest to the application materials. For specific information on CPA eligibility, see the text box on page 20.

The Job Creation Grant instruction manual is organized as follows:

- An overview of the grant amount and eligibility criteria;
- General limitations;
- Preliminary information for applicants to gather;
- Step-by-step instructions for completing the required application and supplemental materials.

## NEW THIS YEAR

The list of High Unemployment Areas (HUAs) has been updated for Grant Year 2014. This list is updated twice a year; once prior to the qualification year and once during the qualification year as updated data becomes available from the Virginia Employment Commission.

2014 Enterprise Zone Grant Application			
High Unemployment Areas (HUA)			
Brunswick County	#32	Town of LaCrosse	#38
Town of Chilhowie	#51**	Town of Lawrenceville	#32
Town of Clarksville	#56	Town of Martinsville	#36, #54
City of Covington	#53**	Mecklenburg County	#38, #56
City of Danville	#1, #57**	City of Petersburg	#10, #47**
Town of Emporia	#43	Prince Edward County	#48**
City of Franklin	#18**	Richmond County	#50
City of Galax	#13	Town of Saltville	#6
Greensville County	#34, #43	Town of South Boston	#15
Halifax County	#15	Town of South Hill	#38
Henry County	#36, #54	Smyth County	#6, #51**
City of Hopewell	#9	Wise County	#52
**The following communities in joint zones are NOT HUAs: Alleghany County, Charlotte County, Clifton Forge Town, Dinwiddie County, Glade Spring Town, Isle of Wight County, Town of Kilmarnock, Lancaster County, Lunenburg County, Northumberland County, Pittsylvania County, Southampton County, Washington County, Town of Warsaw, Westmoreland County. Businesses in these communities are not eligible for the			

**The Cities of Galax and Hopewell, as well as Prince Edward, Richmond, Smyth (including the Towns of Chilhowie & Saltville), and Wise Counties are now considered HUA zones.** Businesses in these zones are eligible to apply for the \$500/PFTE Job Creation Grant at the reduced wage rate threshold of 150% of the Federal Minimum Wage (FMW) or \$10.88 per hour.

**The following localities are no longer considered HUA zones: Carroll County and the Town of Hillsville, Patrick County and the Town of Stuart, and Dickenson County and the Towns of Clintwood and Haysi.** Business in these zones that have previously applied for the JCG as HUA applicants may continue to qualify for the \$500 grant at the reduced wage threshold of \$10.88/hour for the remainder of their 5-year grant period. **However, any new business applying for the JCG in these zones must pay a wage rate threshold of at least 175% of the FMW (\$12.69/hour) to be eligible for the grant.**

Any business applying as an HUA applicant must use form **EZ-JCG-HUA** and fill out the **JCG-HUA Worksheet**. These documents are specifically tailored to accommodate the reduced wage rate threshold.

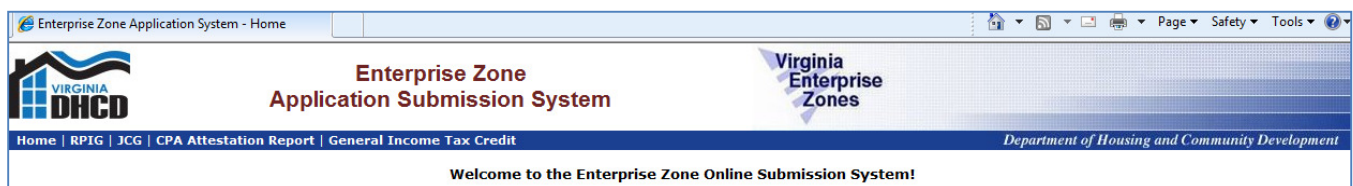
## ENTERPRISE ZONE GRANT QUALIFICATION PROCESS

Enterprise Zone grants are subject to an annual appropriation by the General Assembly. By statute, the Job Creation Grant is required to receive funding priority. After fully funding the JCGs, remaining funds will be allocated to the Real Property Investment Grants. The amount paid to each RPIG applicant will be prorated proportionally should grant requests exceed the remaining funds.

## ACCESSING THE JCG APPLICATION AND ADDITIONAL INFORMATION

The qualified business is expected to complete and submit all required application components. The application form, JCG Worksheet, and all supporting information are available on the EZ Online Submission System site under the **JCG- Job Creation Grant** or **HUA JCG- High Unemployment Area Job Creation Grant** headers.

Link to the EZ Online Submission System: <https://dmz1.dhcd.virginia.gov/EZApplication/>



As part of the application process, an independent Certified Public Accountant (CPA), licensed in Virginia, must attest to these application materials. The *CPA Attestation Report* is required and must be submitted with the grant application. The template for the *JCG CPA Attestation Report* as well as the *CPA Agreed Upon Procedures Instruction Manual* are available on the EZ Online Submission site under the **CPA Attestation Report (RPIG and JCG)** header. For specific information on CPA eligibility, see the text box on page 20 of this manual.

A separate application instruction manual is available for the Real Property Investment Grant (RPIG) and can also be downloaded from the EZ Online Submission System site under the **RPIG- Real Property Investment Grant** header.

## SUBMITTAL REQUIREMENTS

The application process for the JCG involves two components; the electronic submittal of Form EZ-JCG or EZ-JCG-HUA, as appropriate, and the submittal of a signed hard copy of Form EZ-JCG or EZ-JCG-HUA appropriate, as well as the required attachments including the CPA Attestation Report.

All applicants are required to submit form EZ-JCG/EZ-JCG-HUA electronically via the EZ Online Submission System. Online applications must be submitted through the system by no later than **11:59 PM, April 1, 2015 (EST)**. Applicants will be prompted to print the completed application as part of the online submittal process.

Link to the EZ Online Submission System: <https://dmz1.dhcd.virginia.gov/EZApplication/>

The **signed hard copy of Form EZ-JCG/EZ-JCG-HUA and all other supplemental materials must also be submitted by the April 1<sup>st</sup> deadline**. The signed application materials should be mailed via United States Postal Service certified mail, return receipt requested and postmarked no later than April 1<sup>st</sup>; or shipped via UPS, Fed Ex or another service where shipping can be tracked with a shipped date no later than April 1<sup>st</sup>. Applications may be hand delivered to DHCD by the close of business on April 1<sup>st</sup>, however hand delivery is not preferred.

### Virginia Department of Housing and Community Development

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DHCD reviews all applications for completeness. Any application submitted without the required CPA Attestation Report form or submitted after the April 1<sup>st</sup> deadline (but before May 15<sup>th</sup>, 2015) will be considered **late**. Such applications are held until DHCD determines that funds remain after fully funding on-time applications. At such time, DHCD will review and process late applications on a first-come, first served basis. **Please keep in mind that DHCD is unable to pre-qualify any applicants.**



## ONLINE SUBMITTAL

**All applications must be submitted electronically.** If you do not have online access, please contact DHCD immediately. Online applications offer an auto-calculation feature and enable a more efficient processing.

Again, online applications must be submitted no later than **11:59 PM, EST April 1<sup>st</sup>, 2015**. Once the “Submit” button is clicked, applicants will be automatically prompted to print a PDF of the completed application. This is the copy to be signed by the [Local Zone Administrator](#) and mailed in with the required supplemental materials. **The signed hard copy and all other supplemental materials must also be submitted by the April 1<sup>st</sup> deadline.**

Email confirmations will be sent throughout the submittal process to keep the applicant informed of the status of the application and to bring any submittal issues to the applicant’s attention prior to certain deadlines. Applicants will receive confirmation emails in the following order:

### 1. Successful submission of the online application

This email will indicate the date and time of the submittal and will also include a reminder to print the application and send in the signed hard copy and all other required materials (including the CPA Attestation Report) by the **April 1<sup>st</sup> deadline**. DHCD recommends applicants print and keep a copy of the email with their grant records. If this email is not received within 5 business days of the online submittal, contact DHCD immediately.

*Due to the increasing volume of applications DHCD receives each year, we recommend that applicants rely on the email confirmation system rather than phone inquiries regarding an application's status. In the case in which an online application or hard copy was submitted and the applicant does not receive an email confirmation within 5 business days, please contact DHCD regarding the status of the application.*

### 2. Receipt of hard copy application and required materials

Once the hard copy of the application and the other required materials are received, an email will be sent to the applicant stating the date of receipt. DHCD recommends applicants print and keep a copy of this email with their grant records.

### 3. Notification of Deficiencies

DHCD will notify applicants by **May 15<sup>th</sup>** in cases where additional information is required due to application deficiencies. Once the applicant provides the additional information requested, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

## SUBMITTAL OF MULTIPLE APPLICATIONS

If submitting more than one application (for example, a Job Creation Grant and a Real Property Investment Grant application), **each grant application and associated materials should be sent separately via certified mail, return receipt requested**. Due to the high volume of applications received, DHCD cannot guarantee proof of the receipt of each application when multiple applications are submitted together unless a cover letter listing each submittal is included in the package.

## TAXABILITY OF GRANTS

Under Internal Revenue Service regulations, grant awards may be considered taxable income. A 1099 will be issued to all Enterprise Zone grantees for the grant awards received. For tax-related questions, please contact your tax professional for guidance.

Note: If a grant applicant has any type of outstanding liability to the State (such as an outstanding tax liability), the awarded grant amount will be reduced by the dollar amount of the liability. DHCD does not have records of potential liabilities as this process is handled outside the agency. If you receive a grant award that is less than the amount noted in the **qualification letter**, please call the Department of Accounts at (804) 371-8383.

## RECORD KEEPING REQUIREMENTS

The Department may at any time review an applicant's records related to qualification under this section to assure that information provided in the application process is accurate. Qualified zone businesses shall maintain all documentation regarding qualification for Enterprise Zone Job Creation Grants for at least one year after the final year of their five-year grant period.

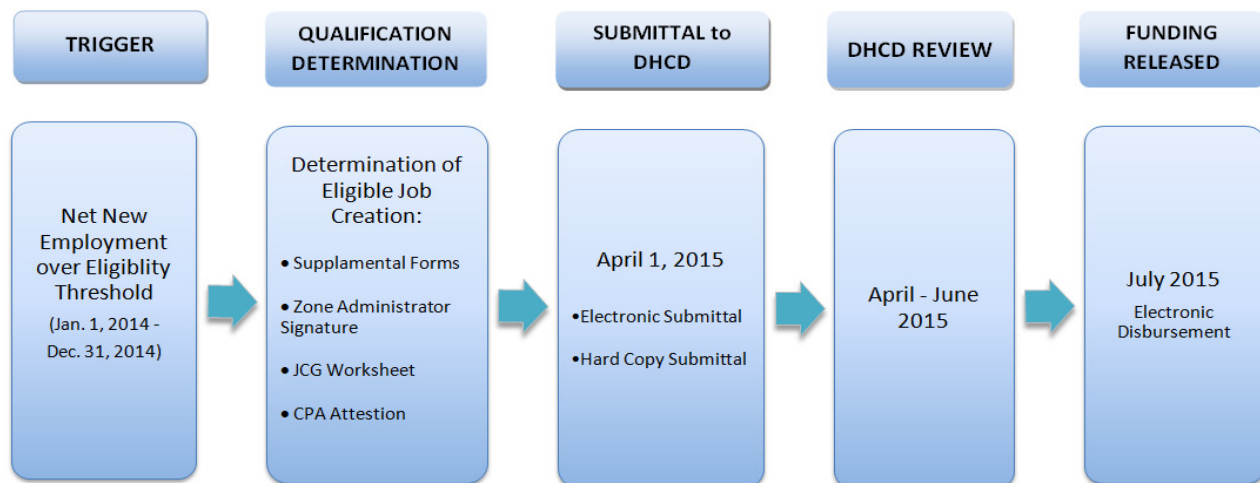
**All JCG grantees are monitored for their first grant year.** Job Creation Grants that do not have adequate documentation regarding permanent full-time positions, [report to work](#) criteria, wage rates, or the provision of health benefits may be subject to repayment.

## GRANT YEAR 2014 TIMELINE

The timeline for Grant Year 2014 is as follows:

Virginia Enterprise Zones Grant Year 2014 Timeline
<ul style="list-style-type: none"> <li>• <b>April 1, 2015:</b> Applicant submits required application materials to DHCD</li> <li>• <b>May 15, 2015:</b> DHCD notifies applicant of any deficiencies</li> <li>• <b>June 1, 2015:</b> Deadline to resolve deficiencies</li> <li>• <b>June 30, 2015:</b> DHCD notifies applicant of qualification</li> <li>• <b>July, 2015:</b> Virginia Dept. of Treasury sends Enterprise Zone Grant check to applicant</li> </ul>





## Virginia Enterprise Zones JCG Qualification Process Grant Year 2014





## JOB CREATION GRANTS

The chart below summarizes the eligibility criteria and grant amounts available for the Job Creation Grant.

<p><i>Job Creation Grants are based on net new permanent full-time job creation exceeding a four-job threshold. Positions over the four-job threshold must meet wage and health benefits requirements to be eligible for the JCG. Firms can receive grants for <b>up to 350 positions</b> per year.</i></p>	
<p><b>Grant Restrictions</b></p> 	<p>The following entities are prohibited from applying for Job Creation Grants:</p> <ul style="list-style-type: none"> <li>Units of local, state, or federal government</li> <li>Non-profits, other than those classified as NAICS 813910 and 813920</li> </ul> <p>The following positions are ineligible for the JCG:</p> <ul style="list-style-type: none"> <li><a href="#">Personal service</a>, <a href="#">food and beverage</a>, and <a href="#">retail</a> positions (<i>as defined in Glossary</i>)</li> </ul>
<p><b>Eligibility Requirements</b></p> 	<ul style="list-style-type: none"> <li>The business firm must be located in a Virginia Enterprise Zone.</li> <li>The <a href="#">business</a> firm must create at least four net new permanent full-time positions over the <a href="#">base calendar year</a>.</li> <li>The net new permanent full-time positions created over the four-job <a href="#">threshold</a> must meet wage (at least 175% of the Federal Minimum Wage<sup>1</sup>, 150% in High Unemployment Areas) and health benefits requirement (at least 50% of employee's premium paid for by employer).</li> </ul>
<p><b>Term</b></p> 	<ul style="list-style-type: none"> <li>Grants are available for a five-consecutive-year qualification period.</li> <li>To be eligible for the JCG in years two through five of the grant cycle, a business firm must maintain or increase the number of eligible permanent full-time positions (above the four-job threshold) over base year employment. Base year employment levels are established during the first grant year and will remain consistent throughout the 5-year grant period.</li> <li>Firms can continue to receive grants for any net new permanent full-time positions created over base year employment levels that meet wage and health benefits requirements.</li> <li>Firms may apply for a <a href="#">subsequent</a> five-year period given they meet the grant eligibility requirements. Grant Year 2011 was the first year firms were eligible to begin subsequent five-year periods. See <a href="#">Appendix A</a> for more information on subsequent five-year periods.</li> </ul>
<p><b>Amount</b></p> 	<p>Job Creation Grant awards are determined by the <b>wages</b> paid and the number of months positions were filled during the Grant Year. Grants are available in amounts of:</p> <ul style="list-style-type: none"> <li>Up to \$500 per grant eligible position filled by an employee earning at least 175% (150% in HUAs) of the FMW with offered health benefits.</li> <li>Up to \$800 per grant eligible position filled by an employee earning 200% of the FMW with offered health benefits.</li> </ul>

<sup>1</sup> The Federal Minimum Wage (FMW) is currently \$7.25 per hour. In order to be eligible for the Job Creation Grant, net new positions must be paid at least \$12.69/hour (\$10.88 in HUAs) to be eligible for the \$500 grant and at least \$14.50/hour to be eligible for the \$800 grant.



## GENERAL LIMITATIONS

- A firm can receive Job Creation Grants for a maximum of **350 grant eligible positions** per year. Firms with multiple locations in Enterprise Zones can receive Job Creation Grants for a maximum of 350 positions total.
- Although businesses may now qualify for both the Enterprise Zone Job Creation Grant and the Major Business Facility Job Tax Credit, firms may not apply for the Job Creation Grant for positions used to qualify for the Major Business Facility Job Tax Credit.
- Businesses that started qualification for the General Income Tax Credit may initiate qualification for the Job Creation Grants. However, the business firm cannot receive the Tax Credit and Job Creation Grant for the same positions. *Contact DHCD at 804-371-7030 for more information.*

## EMPLOYMENT RESTRICTIONS

Job Creation Grants are awarded for the creation of net new permanent full-time positions meeting certain wage and health benefits requirements. Given the normal turnover of employees, it is possible that several employees will fill one permanent full-time position in any one calendar year. This is acceptable as long as it is not “job sharing” where two employees, each working part-time, fill one position.

Employees filling the following positions cannot be included in the calculations of Job Creation Grants:

- Positions in [retail](#), [personal service](#), or [food and beverage services](#).
- Positions paid less than 175% of the [Federal Minimum Wage](#) (\$12.69/hour) or 150% of FMW (\$10.88) in HUAs.
- Positions that are not offered health benefits in which 50% of the employee’s health insurance premium is paid by the business firm.
- A position that previously existed elsewhere in the Commonwealth.
- Positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.
- A person that was previously employed in the same job function in Virginia by a [related party](#), or a trade or business under [common control](#).
- A [seasonal](#), temporary, leased, or contract labor position.
- An employee of a firm in Virginia who is [transferred](#) from outside a zone location to a zone location.
- An employee whose previous job function qualified for a JCG in connection with a different Enterprise Zone location on behalf of

### ***Permanent full-time position***

***A person employed by a business firm, located within an Enterprise Zone, who is normally scheduled to work either a:***

- *Minimum of 35 hours per week for the entire normal year of the business firm’s operations, which a normal year must consist of at least 48 weeks;*
- *Minimum of 35 hours per week for a portion of the taxable year in which the employee was initially hired for or transferred to the business firm; or*
- *Minimum of 1,680 hours per year if the standard fringe benefits are paid by the business firm for the employee.*

the taxpayer, a related job, or a trade or business under common control (cannot claim the same job twice).

- A position filled by a business in an Enterprise Zone that was then purchased by another taxpayer who continued its operation (not net new to Virginia).
- A person whose position previously qualified for Enterprise Zone residency-based Job Grants, Enterprise Zone General Income Tax Credits, or Enterprise Zone Investment Tax Credits.
- A person whose position previously qualified a firm for the Major Business Facility Tax Credit.

#### **Employment Specifications**

*The grant amount will be prorated based on the number of full months of the grant year in which the employee met the wage and health benefits requirement in the following cases in which the grant-eligible employee:*

- *Was employed less than 12 months during the grant year.*
- *Met the wage and health benefits requirements less than 12 full months*
- *The employee's wage changes or the Federal Minimum Wage changes during the qualification year*

### **JOB CREATION GRANT QUALIFICATION PROCESS**

*The following steps should be taken by a business firm to assess if they are eligible to apply for the JCG:*

- Confirm the business location is within an Enterprise Zone.
  - Contact the [Local Zone Administrator](#) for verification of zone location.
  - LZA contact information can be found on the EZ Online Submission System site at the following link: <https://dmz1.dhcd.virginia.gov/EZApplication/>.
- Confirm the business and positions are not restricted from applying for grant. See the [chart of activity numbers](#) for a listing of NAICS codes. Those restricted from applying are highlighted in red.
  - Restricted positions:
    - Personal Service, Food & Beverage, Retail
    - Units of Local, State, or Federal Government (Typically have a FEIN beginning with 54600)
- Determine the [base year](#) for which the business firm is claiming an increase in employment.
  - Firms may use either of the two calendar years immediately preceding its first year of grant eligibility as the base year. This allows a business the discretion to select a base year with lower employment to maximize grant benefits.
  - Companies new to Virginia within the past two years will have a base year employment level of zero.
  - The base year will remain the same for each year in the firm's five-year grant period. Please see [Appendix A](#) for instructions on how to qualify for a subsequent five-year grant period.
- Determine if the business firm has created at least four net new [permanent full-time positions](#) over the established base year.

- Use the employee's **I-9** to verify the start date of permanent full-time employment for all permanent full-time positions in the base year and grant year and identify which permanent full-time positions are net new after the base year.
- Determine which of the grant eligible positions (new positions over the four-job threshold) meet the wage and health benefits requirements.
  - Gather **first and last payroll records** for each employee for the base year and grant year.
    - Identify employees with hourly wage rates of at least 175% of the FMW (150% in HUAs).
    - For firms with high employee turnover, each permanent full-time position may be filled by multiple employees during a given grant year.
    - Employees **receiving raises** (or a decrease in pay) during the grant year **MUST be listed on a separate line for each wage fluctuation. DO NOT use their average wage rate OR ending wage rate.** Doing so **creates calculation errors that typically result in overpayment** to the grantee by the Commonwealth. **The Department requires grantees to repay the funds to which they were not entitled.**
  - **Health benefits information:** Verify that employees meeting the wage requirements were **offered** health insurance coverage where the firm pays at least 50% of health insurance premium based on the health benefits agreement, signed by the employee.
    - Health insurance **waivers must be collected from** employees filling grant eligible **positions that have declined health benefits.**
- Contact an [independent](#) CPA licensed in the state of Virginia to complete the required [Agreed Upon Procedures](#) as part of the Job Creation Grant application. The required Agreed-Upon Procedures and CPA Attestation Instruction Manual are available on the EZ Online Application Submission System site at the following link: <https://dmz1.dhcd.virginia.gov/EZApplication/>

## REQUIRED APPLICATION MATERIALS

Form EZ-JCG/EZ-JCG-HUA must be submitted online **by 11:59 PM on April 1<sup>st</sup>, 2015 (EST)**. After submitting the online form, applicants should print the completed EZ-JCG/EZ-JCG-HUA application from the EZ Online Submission System site, then mail the signed hard copy in addition to the materials listed in the table below.

Job Creation Grant Submission Materials	
<i>Materials</i>	<i>Submission Deadline</i>
<ul style="list-style-type: none"> <li>• Form EZ-JCG or EZ-JCG-HUA**</li> <li>• W-9</li> <li>• JCG Worksheet*</li> <li>• CPA Attestation Report</li> </ul> <p>*Firms are not required to submit the JCG Worksheet but must maintain the worksheet in their records.</p>	<p style="text-align: center;"><b>All application materials are due to DHCD on April 1<sup>st</sup>, 2015.</b></p> <p>Applicants must send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 1<sup>st</sup>; 2) UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 1<sup>st</sup>. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 1<sup>st</sup>.</p>

Forms EZ-JCG and EZ-JCG-HUA, the JCG/JCG-HUA Worksheet and other required application materials are available on the EZ Online Submission System site at the following link:

<https://dmz1.dhcd.virginia.gov/EZApplication/>.

**\*\*Remember, the Form EZ-JCG/EZ-JCG-HUA is required to be submitted electronically and as a signed hard copy. Instructions for completing the JCG worksheet and Form EZ-JCG are included in the following sections.**

## JCG/JCG-HUA WORKSHEET: STEP-BY-STEP INSTRUCTIONS

Qualified zone businesses shall maintain all documentation regarding qualification for Enterprise Zone Job Creation Grants for at least one year after the final year of their five-year grant period. One of the documents that DHCD requires that the qualified zone business maintain, but not submit, is the JCG/JCG-HUA Worksheet. **The JCG/JCG-HUA Worksheet must be used to complete the application. Business firms applying as HUA applicants must use the JCG-HUA Worksheet. All other business firms should use the standard JCG Worksheet.** The digital version along with a hard copy print out must be kept on file with other grant request records. Job Creation Grants that do not have adequate documentation regarding permanent full-time positions, [report to work](#) requirements, wage rates and the provision of health benefits may be subject to repayment.



***My business is not a retail business, but I have retail positions. Is my firm eligible for the Job Creation Grant?***

*If your business firm is not a retail business, you can only include those positions that are not retail, food/beverage, or personal service positions for the purposes of qualifying for the Job Creation Grant.*

Once the business firm collects the preliminary information listed on pages 10 - 11 and determines that the firm is eligible to apply for the Job Creation Grant, the business firm will then need to complete the JCG/JCG-HUA Worksheet. The JCG/JCG-HUA Worksheet is used to determine the number of grant-eligible positions. **The amount of the grant is determined based on the wages each grant-eligible position earned during the [full months](#) they were employed in the grant year.**

The JCG/JCG-HUA Worksheet tabulates information on all employees filling permanent full-time positions and the hourly wage rates of the employees hired in the grant year. Based on the work dates and applicable wage rates entered for the net new positions, the remainder of the qualification information is automatically calculated within the Worksheet.

The JCG/JCG-HUA Worksheets are available at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

### **Page 1 of Worksheet:**

- The business firm representative must provide his/her signature verifying the following:
  - No retail, food or beverage, or personal service positions are listed on the worksheet
  - All employees listed are [permanent full-time positions](#) and not churned.
  - The employees listed for the base year and/or grant year meet the [report to work](#) requirement.
- **Determine the Grant Year**  
This is the calendar year for which the firm is requesting the Job Creation Grant. The worksheet is pre-programmed with the 2014 calendar year as the grant year.
- **Determine the Base Year**

The base year is either of the two calendar years immediately preceding a business firm's first year of grant eligibility. Between these two years, more than four net new permanent full-time positions must have been created. The base year remains the same for each year of the five-year qualification period. Please see [Appendix A](#) for instructions on how to qualify for a subsequent five-year grant period.

First time applicants must enter in the selected base year in the Column F header (to replace the YYYY). For Grant Year 2014, first time applicants may choose from calendar year 2013 or 2012 as the base year. For applicants within their second through fifth year of qualification, the base year remains the same as the first qualification year and should also be entered in place of the YYYY in the Column F header.

**Columns A-D: Employees Filling Permanent Full-Time Positions in the Base Year**

**1. Column C, "Employee Name":**

List all employees filling permanent full-time positions (EF-PFTPs) in the base year in alphabetical order. Applicants are unable to use the "sort" function in Excel to alphabetize the employees' names because the cells are locked.

- List all EF-PFTPs that worked for the firm in the base year.
- The Worksheet has a function that highlights cells in red when duplicate names and/or SSNs have been entered. If an employee has been intentionally entered twice due to the reasons described in the text box below, ignore the red cells.
- Include every EF-PFTP that worked for the firm in the base year in a permanent full-time capacity regardless of how long he or she was employed. This could be one day, one week, one month, or the full year. All EF-PFTPs that worked during the base year must be included on the list with the exception of unqualified positions.

	A	B	C	D
17	Employees Filling Permanent Full-Time Positions			
18	Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN
19				
20	1		Niels Bohr	1111
21	2		Rachel Carson	2222
22	3		Margaret Cavendish	3333
23	4		Francis Crick	4444
24	5		Marie Curies	5555
25	6	Y	John Dalton	6666
26	7	Y	Charles Darwin	7777
27	8	Y	Albert Einstein	8888
28	9	Y	Paul Erlich	9999
29	10	Y	Enirco Fermi	1010
30	11	Y	Enirco Fermi	1010
31	12	Y	Ben Franklin	1313
32	13	Y	Robert Hooke	1414
33	14	Y	Mary Leakey	1515
34	15	Y	Richard Leton	1515
35	16	Y	Barbara McClintock	1717
36	17	Y	Isaac Newton	1818
37	18	Y	Isaac Newton	1919

**Employees should only be listed on the JCG worksheet once UNLESS:**

- An employee has worked two or more separate times in a single base or grant year.
- An employee's wage fluctuated during the grant year.

*In the template to the left, Enrico Fermi is listed twice due to a wage fluctuation and Isaac Newton is also listed twice because he was employed during two separate time periods within the grant year. The SSN cells for Mary Leakey and Richard Leton are highlighted because the same value has been added twice. This could be a coincidence or it could be an error. The red is a warning to double check.*

**2. Column D, "Last 4 Digits of SSN":** Enter in the last 4 digits of each employee's (listed in Column C) social security number.

**3. Column B, “Included in CPA Sample Y/N”:** CPA must indicate which employees have been selected to be sampled through preparation of the CPA Attestation Report. This is the final step of the Worksheet.

**Columns E-M: Base and Grant Year Employment**

To complete this portion of the Worksheet, use the employees’ payroll record documentation and I-9.

	A	B	C	D	E	F	I	J	K	M
17	<b>Employees Filling Permanent Full-Time Positions</b>				<b>Base Year</b>			<b>Current Grant Year (G</b>		
18	<b>Employee Number</b>	<b>Included in CPA Sample Y/N</b>	<b>Employee Name</b>	<b>Last 4 digits of SSN</b>	<b>First work date in base year</b>	<b>Last work date in base year</b>	<b>Months the EF-PFTP worked in Base Year</b>	<b>First work date in grant year 2014</b>	<b>Last work date in grant year 2014</b>	<b>Months the EF PFTP worked in Grant Year</b>
19										
20	1		Niels Bohr	1111	09/01/13	12/31/13	4.01	01/01/14	12/31/14	12.00
21	2		Rachel Carson	2222	01/01/13	12/31/13	12.00	01/01/14	12/31/14	12.00
22	3		Margaret Cavendish	3333	12/27/13	12/31/13	0.16	01/01/14	12/12/14	11.38
23	4		Francis Crick	4444	01/01/13	01/25/13	0.82			0.00
24	5		Marie Curies	5555	06/01/13	12/31/13	7.04	01/01/14	08/14/14	7.43
25	6	Y	John Dalton	6666			0.00	05/01/14	10/25/14	5.85
26	7	Y	Charles Darwin	7777			0.00	02/01/14	12/31/14	10.98
27	8	Y	Albert Einstein	8888			0.00	01/01/14	12/31/14	12.00
28	9	Y	Paul Erlich	9999			0.00	03/01/14	08/09/14	5.33
29	10	Y	Enrico Fermi	1010			0.00	01/01/14	08/01/14	7.00
30	11	Y	Enrico Fermi	1010			0.00	08/02/14	12/31/14	5.00
31	12	Y	Ben Franklin	1313			0.00	01/01/14	12/31/14	12.00
32	13	Y	Robert Hooke	1414			0.00	03/01/14	12/31/14	10.06
33	14	Y	Mary Leakey	1515			0.00	01/01/14	12/31/14	12.00
34	15	Y	Richard Leton	1515			0.00	01/01/12	12/31/14	36.03
35	16	Y	Barbara McClintock	1717			0.00	10/22/14	12/31/14	2.33
36	17	Y	Isaac Newton	1818			0.00	01/01/14	03/01/14	1.97
37	18	Y	Isaac Newton	1919			0.00	05/01/14	11/11/14	6.41

**4. Column E, “First work date in base year”:** Enter first work date of EF-PFTP in base year.

- For employees who were only employed during the grant year, Columns E and F should be left blank.
- Example: John Dalton was hired in the grant year (2014). For this reason, Columns E and F are left blank for the row pertaining to his base year work dates.

**5. Column F, “Last work date in base year”:** Enter last work date of EF-PFTP in base year.

The months worked in the base year (Column I) for each employee filling a permanent full-time position will be automatically calculated.

**6. Column J, “First work date in grant year 2014”:** Enter the first work date of EF-PFTP in the grant year.

- For employees who were only employed in the base year and not during the grant year, Columns J and K should be left blank.
- Example: Francis Crick was only employed in the base year. For this reason, Columns J and K are left blank for the row pertaining to his work dates.

**7. Column K, “Last work date in grant year 2014”:** Enter in the last work date of EF-PFTP.

The full months worked in the grant year (Column M) for each employee filling a permanent full-time position will be automatically calculated.

**Please note the following settings in the Worksheet:**

- The cells and formulas within the Worksheet are **locked**. The applicant can only enter in information where requested; no formulas can be overridden.
- Some columns are **hidden** (in order for the auto-calculations to function) and are therefore not visible to the user.
- For any date entered in the grant year that is not in 2014, the cell will highlight in **red**.
- The Worksheet will also highlight cells in red when duplicate names and/or SSNs have been entered.
- All **shaded** columns in the Worksheet automatically populate; the applicant only has to enter in values in the **non-shaded** columns and the yellow wage rate column.

**Columns N-R: Health Benefits and Hourly Wage Rate for Grant Year Employees**

**8. Column N, “Offered Health Benefits Y/N”:** For the employees listed only in the grant year, indicate their health benefits status.

J	K	M	N	O	P	Q	R
Current Grant Year (GY): 2014					Wage Classification for Net New Positions		
First work date in grant year 2014	Last work date in grant year 2014	Months the EF PFTP worked in Grant Year	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed in ONLY Grant Year	PFTP in GY not grant eligible (not new in grant year or not meeting wage & health benefit	New EF PFTP in GY earning at least \$12.69/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr
01/01/14	12/31/14	12.00			12.00	0.00	0.00
01/01/14	12/31/14	12.00			12.00	0.00	0.00
01/01/14	12/12/14	11.38			11.38	0.00	0.00
		0.00			0.00	0.00	0.00
01/01/14	08/14/14	7.43			7.43	0.00	0.00
05/01/14	10/25/14	5.85	Y	10.88	5.85	0.00	0.00
02/01/14	12/31/14	10.98	Y	13.00	0.00	10.98	0.00
01/01/14	12/31/14	12.00	Y	15.00	0.00	0.00	12.00
03/01/14	08/09/14	5.33	N		5.33	0.00	0.00
01/01/14	08/01/14	7.00	Y	14.50	0.00	0.00	7.00
08/02/14	12/31/14	5.00	Y	16.50	0.00	0.00	5.00
01/01/14	12/31/14	12.00	N		12.00	0.00	0.00
03/01/14	12/31/14	10.06	Y	11.50	10.06	0.00	0.00
01/01/14	12/31/14	12.00	Y	12.50	12.00	0.00	0.00
01/01/12	12/31/14	36.03	Y	13.50	0.00	36.03	0.00
10/22/14	12/31/14	2.33	N		2.33	0.00	0.00
01/01/14	03/01/14	1.97	Y	14.00	0.00	1.97	0.00
05/01/14	11/11/14	6.41	Y	15.50	0.00	0.00	6.41

- “Y” indicates that the employee received or was offered [health benefits](#); “N” indicates the employee did not receive or was not offered health benefits.
- Column N should be left blank for any employees that worked in the base year.

For any employees new to the grant year that did not receive or were not offered health benefits, the applicable wage column (O) is programmed to shade in black. **DO NOT enter the wage rate for such employees. They are not eligible for the JCG.**

**9. Column O, “Hourly wage rate for Employees listed ONLY in Grant Year”:** Enter hourly wage rates for grant year employees who received or were offered [health benefits](#).

**IMPORTANT INFORMATION CONCERNING EMPLOYEE RAISES**

If an employee received raises (or a decrease in pay) during the grant year, they **MUST be listed on a separate line** on the JCG/JCG-HUA Worksheet for each wage fluctuation. **DO NOT** use their average wage rate **OR** their ending wage rate. Doing so **creates calculation errors that typically result in overpayment** to the grantee by the Commonwealth. The Department requires grantees to repay the funds to which they were not entitled. The CPA Agreed Upon Procedures were established to identify such errors and they should be carried out diligently.

If an employee’s grant year **wage rate is over \$14.50**, any subsequent raises would not need to be recorded on the spreadsheet because it will not impact the calculation of the grant amount.



For any employees listed only in the base year or in both the base year and grant year, the worksheet is programmed to shade the applicable wage cell in black. This indicates NOT to enter in a wage for such employees since they are not net new positions.

**Only wages for employees hired in the grant year that received or were offered [health benefits](#) should be entered into the JCG/JCG-HUA Worksheet.**

Based on the wages entered for the grant year employees filling permanent full-time positions, all the Columns P through R auto-populate such that the applicant does not have to manually distribute the total number of months each employee met the 175% (or 150% in HUAs) or 200% of the Federal Minimum Wage grant eligibility requirement.

**Second Sheet within the JCG Worksheet: Values to be Entered in Form EZ-JCG**

Once the applicant enters in the hourly wage rates, the remaining columns will auto-populate and the qualification information requested in Form EZ-JCG is automatically calculated in the table on the second tab within the JCG worksheet. This table lists the Form EZ-JCG/JCG-HUA references for which the values should be entered.

	A	B	C
1	<b>Values to be Entered in Form EZ-JCG</b>		
2	<b>New Job Creation</b>	<b>Total Value</b>	<b>Form Reference</b>
3	# of all equivalent PFTP filled by the firm during the BASE year	2.00	Part II., 4.A.
4	# of all equivalent PFTP filled by the firm during the GRANT year	14.15	Part II., 4.B.
5	New eligible PFTP filled in grant year earning at least 200% of the federal minimum wage and health benefits	2.53	Part II., 5.E.
6	New eligible PFTP filled in grant year earning at least 175% of the federal minimum wage (but less than 200%) and health benefits	4.08	Part II., 5.F.

*When printing a hard copy of the JCG/JCG-HUA Worksheet for your grant documentation files, follow the formatting and printing instructions specified on third tab of the worksheet.*

**FORM EZ-JCG/EZ-JCG-HUA**

The following pages include guidelines by application section for completing Form EZ-JCG or EZ-JCG-HUA.



## PART I: BACKGROUND INFORMATION

Directions are included below for the “Background Information” section of the Form EZ-JCG/EZ-JCG-HUA.

PART I: BACKGROUND INFORMATION			
1. Business Firm Legal Name		2. Trading Name, if Different than Legal Name	
3. Date Bus. began Operation in Zone			
4. Federal Employment ID # (FEIN)		5. Activity # (First three digits of the NAICS. See Instruction Manual.)	
6. Physical Address of Zone Establishment		City/County/Town	
7. Type of Application		8. Type of Job Creation Made by the Applicant	
<input type="checkbox"/> Standard <input type="checkbox"/> High Unemployment Area (HUA)		<input type="checkbox"/> Expansion of an existing firm <input type="checkbox"/> New firm (start up) <input type="checkbox"/> Relocation of a firm from outside Virginia <input type="checkbox"/> Relocation and expansion of a firm within Virginia <small>Note: Firms are not eligible to apply for the JCG if simultaneously closing a facility in Virginia</small>	
9. Federal Employment ID# (FEIN) of Parent Company		10. If the Firm is a Subsidiary, Name of the Parent Company	
11. Zone Name	12. Zone #	13. Zone Designation Date	14. Name of Local Zone Administrator
15. Signature of Local Zone Administrator verifying that physical address listed on EZ-JCG Part I item 6 is in the enterprise zone identified in item 11 above and if marked as an HUA application, is eligible to be processed as such.			
Date			

**5. Activity #:** Indicate the three-digit activity number that applies to the applicant's business type.

- A [chart of activity numbers](#) is located on page 25.
- If your firm's activity number is highlighted in red in the chart, your firm is engaged in retail, personal service or food/beverage services and such positions are not grant eligible.

- 1. Business Firm's Legal Name:** Indicate the applicant's legal business name.
- 2. Trading Name:** Indicate the applicant's trading name, if different than its legal name.
- 3. Date Business Began Operation in Zone:** Indicate the month, day, and year the applicant started operating its business at the zone establishment.
- 4. Federal Employment ID# (FEIN):** Indicate the applicant's nine-digit Federal Employment Identification Number
- 5. See text box above.**
- 6. Physical Address of Zone Establishment:** Indicate the physical location of the applicant's business operation.
- 7. Check the type of application.** If an HUA applicant, be sure the JCG-HUA Worksheet was utilized.
- 8. Check the type of job creation made by the applicant:** For applicants selecting “Relocation and expansion of firm within Virginia,” make sure the positions are not restricted from the Job Creation Grant, as specified in the Employment Restrictions section on pages 9-10.
- 9-10. FEIN of Parent Company and If Firm is Subsidiary, Name of Parent Company:** If the business firm is a subsidiary, list the FEIN (#9) and the name of the Parent Company (#10).
- 11-13. Zone Name, Zone #, Zone Designation Date:** Indicate the Enterprise Zone in which the business is located.
  - Once the zone name is entered online (#11), the corresponding zone number field (#12) and zone designation date (#13) automatically populates.
  - Zone names, zone numbers and designation dates are available on the EZ Online Submission System site at <https://dmz1.dhcd.virginia.gov/EZApplication/>.
- 14. Name of Local Zone Administrator:** State the name of the Local Zone Administrator (LZA).

LZA contact information is available at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

**15. Zone Verification:** *The signature of the Local Zone Administrator is required and the application must be signed and submitted by the April 1<sup>st</sup> deadline.*

- The signature of the Local Zone Administrator verifies that the applicant is located within the Enterprise Zone stated on #11 and if marked as a HUA application, is eligible to be processed as such.



## PART II: QUALIFICATION INFORMATION

Values to complete #4 and #5 are highlighted within the text of the form's snapshot.

**PART II: QUALIFICATION INFORMATION**  
In order to calculate the number of grant eligible employees and determine the applicable grant amount, please complete the **JCG Worksheet** prior to completing this section. Values from the **JCG Worksheet** should be used to complete #4 and #5 below (indicated in italics).

1. Grant is requested for calendar year 2014    2. Check year of qualification. ☐ YR 1 ☐ YR 2 ☐ YR 3 ☐ YR 4 ☐ YR 5

3. Base calendar year used by the business firm 2013 (YYYY). *The base year remains the same for the five years of qualification.*

4. **Grant Eligible Positions** (Net new positions over four job threshold; Note: PFTPs = Permanent full-time positions.)  
*All documented jobs must exclude positions in retail, food and beverage, and personal service.*

A. # of all equivalent PFTPs filled by the firm during the BASE year. (Sheet 2 of JCG Worksheet, Cell B3)	A. <u>1</u>
B. # of all equivalent PFTPs filled by the firm during the GRANT year. (Sheet 2 of JCG Worksheet, Cell B4)	B. <u>1</u>
C. Increase in the # of equivalent PFTPs created over the base year. Subtract line (A) from line (B).	C. <u>0</u>
D. Net new jobs created over four net new job threshold. Subtract 4 from line (C). <i>Note: If line (C) is equal to or less than 4, the firm will not qualify for the JCG.</i>	D. <u>-4</u>

3. A firm's **base year** is one of the two calendar years immediately preceding the first grant year (at the choice of the applicant).



Auto-calculated on the online application based on values entered in 4A - B.

5. **Grant Eligible Employees with Qualifying Wage Rates and Health Benefits**

E. New eligible PFTPs filled in grant year earning at least 200% of the federal minimum wage/offered health care benefits. ▪ List total new grant year equivalent PFTPs indicated on the JCG worksheet (Sheet 2, Cell B5) meeting this requirement.	E. <u>1</u>
F. New eligible PFTPs filled in grant year earning at least 175% of the federal minimum wage (but less than 200%) and offered health care benefits. ▪ List total new grant year equivalent PFTPs indicated on the JCG worksheet (Sheet 2, Cell B6) meeting this requirement.	F. <u>1</u>
G. Number of new grant year PFTPs meeting wage and health benefits requirements. ▪ Add lines E and F.	G. <u>2</u>



Auto-calculated on the online application based on values entered in 5E - F.

Based on the auto-calculated values in lines D and G, the online application populates the "Grant Requests" (lines 6A-C) using the following criteria:

- If line D is greater than line G:
  - Multiply value on E by \$800 and enter total on line 6A

- Multiply value on F by \$500 and enter total on line 6B
- If line G is greater than line D:
  - And line E = 0: Multiply line D by \$500 and enter total on line 6B and "0" on line 6A
  - And line F = 0: Multiply line D by \$800 and enter total on line 6A and "0" on line 6B
- If there are values on both line E and F:
  - Presuming line E is less than line D, multiply line E by \$800 and enter total on line 6A.
  - Subtract line E from line D and multiply amount by \$500. Enter total on line 6B.
  - If line E is greater than line D, multiply line D by \$800 and enter total on line 6A, and "0" in 6B

6. <b>Grant Requests</b>	
A. Requested JCG award for PFTP's earning at least 200% of federal minimum wage and offered health care benefits. ▪ Using procedures from page 1, multiply appropriate number by \$800	A. \$ <input type="text"/>
B. Requested JCG award for PFTP earning at least 175% of federal minimum wage (but less than 200% of the Federal minimum wage) and offered health care benefits. ▪ Using procedures from page 1, multiply appropriate number by \$500	B. \$ <input type="text"/>
C. Total amount of job creation grants requested. ▪ Add lines A and B.	C. \$ <input type="text"/>



Lines 6A - C are all auto-calculated on the online application.

Indicate that the JCG worksheet has been used and CPA Attestation concerns addressed:

7. I used DHCD's JCG Worksheet template to complete this application. ☐ Yes ☐ No
8. I have reviewed the CPA Attestation Report and have addressed any deficiencies noted in the report. ☐ Yes ☐ No
9. This application has been submitted electronically. ☐
10. I have NOT used an average wage or final wage to represent the annual wage rate of an employee. ☐



### PART III: CONTACT INFORMATION

The business firm representation provides contact information for the grant applicant representative and his/her mailing address as well as contact information for the CPA who prepared the Attestation Report in this section.

<b>PART III: CONTACT INFORMATION</b>					
1. Name of Grant Applicant Representative					
Prefix (Mr., Ms., Dr.)	First Name	Last Name	Title	Daytime Phone # ( ) -	E-mail Address
Principal Mailing Address (Grant correspondence will be mailed to this address)			City	State	Zip Code
2. Certified Public Accountant (preparer of required Attestation Report)					
Name of Certified Public Accountant		VA License #	Daytime Phone # ( ) -	Email Address	
3. Accounting Firm	Street Address		City	State	Zip Code

The email address is **required** as applicants will receive email confirmations/updates throughout the application submission and review process. See pages 5-6 for more information.



### PART IV: DECLARATION

The application must be signed and dated by a representative of the business firm that has made the management decisions necessary to complete the application and has reviewed the application and required attachments for accuracy and completion.

## W-9

A completed W-9 form must be submitted with each grant application. The FEIN listed on the qualification application EZ-JCG/EZ-JCG-HUA must match the FEIN on the W-9. The grant award must be sent to the address provided on the W-9 even if it is different than the mailing address provide on the grant application. A blank W-9 form can be found on the EZ Online Submission System site at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

**Please make sure the form is filled out legibly.**



## CPA ATTESTATION REPORT

As required by the statute, a CPA, [independent](#) of the applicant and licensed by the State of Virginia, must perform the [Agreed-Upon Procedures](#) outlined by DHCD. The CPA will test the documentation and calculations used to prepare the Job Creation Grant application and will report on these procedures and their findings in the Attestation Report. This report is to be signed by the CPA and submitted as part of the application materials due to DHCD on April 1<sup>st</sup>.

Contact your CPA to find out if they are able to fulfill the attestation requirements for the Job Creation Grant application. All CPAs should know if they are able to perform agreed upon procedures.

These procedures and additional materials are available on the EZ Online Submission System site at <https://dmz1.dhcd.virginia.gov/EZApplication/CPAs.aspx>.



**Can my CPA prepare the application and accompanying materials (worksheets) and attest?**

*Professional standards (AICPA) provide that a CPA can offer assistance provided the CPA does not assume management responsibilities, such as making management decisions or performing management functions. The decision to follow any advice provided remains with management of the entity.*

As provided in §59.1-547 of the Code of Virginia, business firms with base year employment of 100 or fewer permanent full-time positions that create 25 or fewer grant eligible positions **are exempt from the attestation**

### CPA Attestation Report (RPIG and JCG)

<a href="#">CPA Sample Engagement Letter</a>	Sample engagement letter for CPA to provide to client
<a href="#">CPA Agreed Upon Procedures Manual (RPIG and JCG)</a>	Includes information regarding procedures for each grant
<a href="#">Guidance on CPA Attestation Report Format and Documentation of Findings</a>	Includes information on appropriate description of CPA's findings
<a href="#">Real Property Investment Grant Attestation Report Form</a>	Required in prescribed format
<a href="#">Job Creation Grant Attestation Report Form</a>	Required in prescribed format

**requirement for that qualification year.** However, the firm is not exempt from completing the required Job Creation Grant Worksheet. **The JCG Worksheet must be completed each year the firm seeks qualification for the JCG.**

Note: Business firms with base year employment of 100 or fewer permanent full-time positions that create 25 or fewer grant eligible positions seeking to qualify for Job Creation Grants are not required to submit a CPA Attestation Report. Instead, the firm is required to submit their JCG Worksheet to DHCD. **All other JCG and RPIG applications must be accompanied by a CPA Attestation Report.**



## CONTACT INFORMATION

**If you have any questions about qualifying for the Enterprise Zone grants or other aspects of the program, please contact:**

**Virginia Department of Housing and Community Development**

600 E. Main Street, Suite 300  
Richmond, Virginia 23219  
(804) 371-7030

[EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov)  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

## APPENDIX

### **A. Requesting a Second or Subsequent five-year Job Creation Grant Period**

Business firms who have finished their first 5-year incentive period may qualify for a [subsequent grant period](#) provided that they are still creating new jobs eligible to receive Job Creation Grants.

If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the last grant year.

If a business firm applies for a subsequent five-year grant period beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent base year, at the choice of the business firm.

## GLOSSARY: DEFINITIONS FOR JOB CREATION GRANTS

**Agreed upon procedures engagement:**

Means an engagement between an independent Certified Public Accountant licensed by the Commonwealth and the business or qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent Certified Public Accountant, using procedures specified by the Department, will test and report on the assertion of the business or qualified zone investor as to their qualification to receive the Enterprise Zone incentive pursuant to 59.1-549 of the Code of Virginia.

**Base year, for wage-based Job Creation Grants:**

Means either of the two calendar years immediately preceding a business firm's first year of grant eligibility, at the choice of the business firm.

**Business firm:**

Means any corporation, partnership, electing small business (subchapter S) corporation, limited liability company, or sole proprietorship authorized to do business in the Commonwealth of Virginia. This shall also include business and professional organizations and associations whose classification falls under sectors 813910 and 813910 of the North American Industry Classification System (NAICS) and that generate the majority of their revenue from customers outside the Commonwealth.

**Common control:**

Means such firms as defined by Internal Revenue Code § 52(b).

**Federal Minimum Wage (FMW):**

Means the minimum wage standard as currently defined by the United States Department of Labor in the Fair Labor Standards Act, 29, U.S.C. 201 et seq. Such definition applies to permanent full-time employees paid on an hourly or wage basis.

**Food and beverage service:**

Means a business whose classification falls under subsector 722 Food Services and Drinking Places of North American Industry Classification Systems (NAICS).

**Full month:**

Means the number of days that the permanent full-time position must be filled in order to count in the calculation of the grant amount. A full month is equivalent to 30.416666 days.

**Grant-eligible position:**

Means a new permanent full-time position created above the threshold number at an eligible business firm. Positions in retail, personal service or food and beverage service shall not be grant eligible positions.

**Health benefits:**

Means that at a minimum, medical insurance is offered to employees and the employer shall offer to pay at least 50 percent of the cost of the premium at the time of employment and annually thereafter.

**High Unemployment Areas (HUA):**

Means Enterprise Zone localities with unemployment rates one and one-half times or more than state average based on the most recent annualized unemployment data published by the Virginia Employment Commission.



**Independent Certified Public Accountant:**

Means a public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for grants under this Program.

**Local Zone Administrator:**

Means the chief executive of the city or county, in which an Enterprise Zone is located, or his or her designee. Pursuant to Enterprise Zone designations made prior to July 1, 2005, this shall include towns.

**Permanent full-time position:**

Means a job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to [report to work](#) within the enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the Commonwealth to a business firm located with an Enterprise Zone, (iii) any position that previously existed in the Commonwealth, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

**Personal Service:**

Means such positions as classified under NAICS 812.

**Regular basis:**

Means at least once a month as related to "[report to work](#)" requirements for the wage-based job creation grants.

**Related party:**

Means those as defined by Internal Revenue Code § 267(b).

**Report to work:**

Means that the employee filling a permanent full-time position reports to the business' zone establishment on a [regular basis](#).

**Retail:**

Means a business whose classification falls under sector 44-45 Retail Trade of the North American Industry Classification System (NAICS).

**Seasonal employee:**

Means any employee who normally works on a full-time basis and whose customary annual employment is less than nine months. For example, individuals hired by a CPA firm during the tax return season in order to process returns who work full-time over a three month period are seasonal employees.

**Subsequent base year:**

Means the base year for calculating the number of grant eligible positions in a second or subsequent five consecutive calendar year grant period. If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the firm's last grant year. The calculation of this subsequent base year employment will be determined by the number of permanent full-time positions in the preceding base year, plus the number of threshold positions, plus the number of grant

eligible positions in the final year of the previous grant period. If a business firm applies for a subsequent five-consecutive-year grant period beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent base year, at the choice of the business firm.

**Threshold number:**

Means an increase of four permanent full-time positions over the number of permanent full-time positions in the base year or subsequent base year.

**Transferred employee:**

Means an employee of a firm in Virginia that is relocated to an enterprise zone facility owned or operated by that firm.

**Wage rate:**

Means the hourly wage paid to an employee inclusive of shift premiums and commissions. In the case of salaried employees, the hourly wage rate shall be determined by dividing the annual salary, inclusive of shift premiums and commissions by 1,820 hours. Bonuses, overtime, and tips are not to be included in the determination of wage rate.

## CHART OF ACTIVITY NUMBERS

<b>Agriculture, Forestry, Fishing and Hunting</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>111</u>	Crop Production
<u>112</u>	Animal Production
<u>113</u>	Forestry and Logging
<u>114</u>	Fishing, Hunting and Trapping
<u>115</u>	Support Activities for Agriculture and Forestry
<b>Mining</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>211</u>	Oil and Gas Extraction
<u>212</u>	Mining (except Oil and Gas)
<u>213</u>	Support Activities for Mining
<b>Utilities</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>221</u>	Utilities
<b>Construction</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>236</u>	Building, Developing, and General Contracting
<u>237</u>	Heavy and Civil Engineering Construction
<u>238</u>	Special Trade Contractors
<b>Manufacturing</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>311</u>	Food Manufacturing
<u>312</u>	Beverage and Tobacco Product Manufacturing
<u>313</u>	Textile Mills
<u>314</u>	Textile Product Mills
<u>315</u>	Apparel Manufacturing
<u>316</u>	Leather and Allied Product Manufacturing
<u>321</u>	Wood Product Manufacturing
<u>322</u>	Paper Manufacturing
<u>323</u>	Printing and Related Support Activities
<u>324</u>	Petroleum and Coal Products Manufacturing
<u>325</u>	Chemical Manufacturing
<u>326</u>	Plastics and Rubber Products Manufacturing
<u>327</u>	Nonmetallic Mineral Product Manufacturing
<u>331</u>	Primary Metal Manufacturing
<u>332</u>	Fabricated Metal Product Manufacturing
<u>333</u>	Machinery Manufacturing
<u>334</u>	Computer and Electronic Product Manufacturing
<u>335</u>	Electrical Equipment, Appliance, and Component Manufacturing
<u>336</u>	Transportation Equipment Manufacturing
<u>337</u>	Furniture and Related Product Manufacturing
<u>339</u>	Miscellaneous Manufacturing

<b>Wholesale Trade</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>423</u>	Wholesale Trade, Durable Goods
<u>424</u>	Wholesale Trade, Nondurable Goods
<b>425</b>	Wholesale Electronic Markets and Agents and Brokers
<b>Retail Trade – PROHIBITED FROM APPLYING FOR JOB CREATION GRANTS</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>441</u>	Motor Vehicle and Parts Dealers
<u>442</u>	Furniture and Home Furnishings Stores
<u>443</u>	Electronics and Appliance Stores
<u>444</u>	Building Material and Garden Equipment and Supplies Dealers
<u>445</u>	Food and Beverage Stores
<u>446</u>	Health and Personal Care Stores
<u>447</u>	Gasoline Stations
<u>448</u>	Clothing and Clothing Accessories Stores
<u>451</u>	Sporting Goods, Hobby, Book, and Music Stores
<u>452</u>	General Merchandise Stores
<u>453</u>	Miscellaneous Store Retailers
<u>454</u>	Nonstore Retailers
<b>Transportation and Warehousing</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>481</u>	Air Transportation
<u>482</u>	Rail Transportation
<u>483</u>	Water Transportation
<u>484</u>	Truck Transportation
<u>485</u>	Transit and Ground Passenger Transportation
<u>486</u>	Pipeline Transportation
<u>487</u>	Scenic and Sightseeing Transportation
<u>488</u>	Support Activities for Transportation
<u>491</u>	Postal Service
<u>492</u>	Couriers and Messengers
<u>493</u>	Warehousing and Storage
<b>Information</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>511</u>	Publishing Industries
<u>512</u>	Motion Picture and Sound Recording Industries
<u>515</u>	Broadcasting and Telecommunications
<b>517</b>	Telecommunications
<u>518</u>	Data Processing Services, Hosting, and Related Services
<b>519</b>	Other Information Services
<b>Finance and Insurance</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>521</u>	Monetary Authorities - Central Bank
<u>522</u>	Credit Intermediation and Related Activities
<u>523</u>	Securities, Commodity Contracts, Other Financial Investments and Related Activities
<u>524</u>	Insurance Carriers and Related Activities
<u>525</u>	Funds, Trusts, and Other Financial Vehicles
<b>Real Estate and Rental and Leasing</b>	
<b>Activity Code</b>	<b>Subsector Description</b>

<u>531</u>	Real Estate
<u>532</u>	Rental and Leasing Services
<u>533</u>	Lessors of Nonfinancial Intangible Assets (except Copyright)
<b>Professional, Scientific, and Technical Services</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>541</u>	Professional, Scientific, and Technical Services
<b>Management of Companies and Enterprises</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>551</u>	Management of Companies and Enterprises
<b>Administrative and Support and Waste Management and Remediation Services</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>561</u>	Administrative and Support Services
<u>562</u>	Waste Management and Remediation Services
<b>Educational Services</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>611</u>	Educational Services
<b>Health Care and Social Assistance</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>621</u>	Ambulatory Health Care Services
<u>622</u>	Hospitals
<u>623</u>	Nursing and Residential Care Facilities
<u>624</u>	Social Assistance
<b>Arts, Entertainment, and Recreation</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>711</u>	Performing Arts, Spectator Sports, and Related Industries
<u>712</u>	Museums, Historical Sites, and Similar Institutions
<u>713</u>	Amusement, Gambling, and Recreation Industries
<b>Accommodation and Food Services</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>721</u>	Accommodation
<u>722</u>	<b>Food Services and Drinking Places-- PROHIBITED FROM APPLYING FOR JOB CREATION GRANTS</b>
<b>Other Services (except Public Administration)</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
<u>811</u>	Repair and Maintenance
<u>812</u>	<b>Personal and Laundry Services— PROHIBITED FROM APPLYING FOR THE JOB CREATION GRANT</b>
<u>813</u>	Religious, Grant making, Civic, Professional, and Similar
<u>814</u>	Private Households